

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on April 16, 2003 at 10:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Jim Keane, Vice Chairman (D)

Members Absent: None.

Staff Present: Alberta Strachan, Committee Secretary
Bart Campbell, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 485, 4/15/2003
Executive Action: SB 485 Be Concurred In; SB 415 Be Concurred In As Amended

HEARING ON SB 485

Sponsor: SEN. JOHN COBB, SD 25, Augusta

Opening Statement by Sponsor:

SEN. COBB said this bill was an act revising the allocation and use of a portion of the Tobacco Settlement Proceeds Fund for the biennium beginning July 1, 2003. It transfers tobacco settlement proceeds funds to a prevention and stabilization account in the State Special Revenue Fund to be used by the Department of Public Health and Human Services to finance, administer and provide health and human services. It also authorizes the use of tobacco settlement proceed funds to provide matching funds for the medicaid program. It established the prevention and stabilization account. He also presented a plan for a prevention program.

EXHIBIT (buh82a01)

{Tape: 1; Side: A; Approx. Time Counter: 23 - 103}

Proponents' Testimony:

Steve Yeakel, Montana Counsel for Maternal & Child Health, Montana Child Care Votes, said the organizations have a commitment to increasing the funding for that program in the coming sessions. They are trying to make the program healthier and more productive.

{Tape: 1; Side: A; Approx. Time Counter: 103 - 138}

Wally Melcher, Montana Association for Human & Disability Services, Montana Association for Rehabilitation and Montana Children's Initiative, said this is a difficult situation to be in. In almost any other time and place there would be proponents for tobacco prevention. This bill is all about timing and money.

{Tape: 1; Side: A; Approx. Time Counter: 138 - 163}

Cris Volinkaty, DD Kids in Region 4 & 5, said they support this bill. This money is extremely important to the maintenance of the most vulnerable people in the State.

{Tape: 1; Side: A; Approx. Time Counter: 163 - 224}

Jim Aherns, Montana Hospital Association, said they support the bill.

{Tape: 1; Side: A; Approx. Time Counter: 224 - 226}

Beda Lovitt, Montana Medical Association, Montana Psychiatric Association said with great reluctance they support this bill. The program needs to be funded.

{Tape: 1; Side: A; Approx. Time Counter: 226 - 239}

Marti Wangen, Montana Psychological Association, said they support this bill.

{Tape: 1; Side: A; Approx. Time Counter: 239 - 246}

Opponents' Testimony:

Joe Mazurek, Protect Montana Kids, said they have an obligation to testify as an opponent to this bill. In Montana 1,400 Montanans die prematurely every year as a result of a tobacco related illnesses or disease. Twenty-nine percent of high school students smoke, 25% of high school boys chew, 2,100 children start smoking each year and 700 of those will die prematurely. Thirty-eight percent of American Indians smoke, 17% of pregnant women smoke, tobacco related illness and disease takes more than two and one-half percent of lives than do drugs, alcohol, AIDS, homicide, suicide and auto accidents in the state.

{Tape: 1; Side: A; Approx. Time Counter: 246 - 387}

Sami Butler, Montana Nurse's Association, said many of the people that needed this service, had there been a preventive program in place, would be alive today. All of the programs in this bill are critical and they are supported by the Association.

{Tape: 1; Side: A; Approx. Time Counter: 387 - 400}

Informational Testimony:

Aidan Myhre, Montana Caucus of Health Care Associations, said she was available for questions.

Questions from Committee Members and Responses:

REP. GALVIN-HALCRO asked **SEN. COBB** how much money would the program receive if it is passed. **SEN. COBB** said they would receive \$8.2 million each year plus the federal money of \$4.1 million each year. **REP. GALVIN-HALCRO** asked how much money they would receive for the programs listed on Page 2. **SEN. COBB** said there would not be that much more in matching funds because all of the programs are state-funded programs to keep people off the medicaid program.

{Tape: 1; Side: A; Approx. Time Counter: 405 - 475}

REP. WEISS asked Mr. Mazurek about the money paid to the State every year in the tobacco settlement. There is an amount

allotted to go to the general fund. **Mr. Mazurek** said that was correct. The percentages are: 40% goes to the Tobacco Trust Fund as a result of the legislation passed in 2002. Then 32% goes to the prevention or a special revenue account and 17% goes to CHMCA and the balance goes to the general fund.

{Tape: 1; Side: A; Approx. Time Counter: 475 - Tape: 1; Side: B; Approx. Time Counter: 28}

REP. MENDENHALL asked **SEN. COBB** to speak to the stability of this fund in the long term. **SEN. COBB** said they would be making their April pay during the week of 21st. The more tobacco is taxed which is a declining amount of money for ongoing expenses, there will eventually be a problem. Part of this money already goes to the general fund.

{Tape: 1; Side: B; Approx. Time Counter: 28 - 108}

REP. MAEDJE asked **SEN. COBB** about the 32% payment which comes in from the tobacco tax. He asked what that would be in actual money. **SEN. COBB** said it consisted of \$9.3 million each year.

REP. MAEDJE then asked how much of this money goes to prevention and how much goes to cessation. **SEN. COBB** said the money goes to the Department of Public Health and Human Services (DPHHS) which in turn is distributed to the agencies. **Mr. Muzurek** said a recommended budget was established. The Governor appointed an advisory counsel which would work with the DPHHS and would decide how the money would be allocated. It contemplated school programs, community programs and cessation programs.

{Tape: 1; Side: B; Approx. Time Counter: 108 - 168}

Closing by Sponsor:

The Sponsor closed.

{Tape: 1; Side: B; Approx. Time Counter: 168 - 195}

REP. EDITH CLARK will carry this bill on the House floor.

EXECUTIVE ACTION ON SB 485

{Tape: 1; Side: B; Approx. Time Counter: 195 - 500}

Motion: **REP. BOOKOUT-REINICKE** moved that SB 485 BE CONCURRED IN.

Discussion:

REP. MORGAN said she supports this bill. She also stated that the people who had voted for her would say the Legislature had broken the will of the people by circumventing this legislation.

She asked if the Committee might be able to do something in terms of a recommendation. She stated she wanted it to be on record that when this bill does come out of Committee, that these were the recommendations the Committee would like to see in HB 2.

REP. MENDENHALL asked if the Chair would yield to a question. He stated the Chairman had some sentiments or articles about the initiative process. He then asked for the Chairman's thoughts on who should appropriate money as it relates to initiatives that spell out the spending of money as it relates to this proposal.

CHAIRMAN McKENNEY said the Legislature makes laws, adjusts laws, repeals laws, tightens laws and loses some laws. Laws come on the books three ways: 1) they come from the Legislature; 2) they come from referendums; and 3) initiatives. Once a law is on the books a law is a law.

REPS. MAEDJE and **WEISS** said they support this bill.

REP. GALLIK said he opposes this bill.

Vote: A roll call vote was taken. Motion carried 14-4 with **REPS. GALLIK,, LAWSON, WEISS** and **WILSON** voting no. **CHAIRMAN McKENNEY** gave a voice vote for **REP. STEINBEISSER** and **REP. ROME** and **REP. GALVIN-HALCRO** gave a voice vote for **REP. KEANE**.

REP. EDITH CLARK will carry this bill on the House floor.

EXECUTIVE ACTION ON SB 415

Motion: **REP. LAWSON** moved SB 415 BE REMOVED FROM TABLE.

Discussion:

REP. GALLIK asked if rules would need to be suspended in order to transmit this bill by the transmittal date. **REP. LAWSON** said they do not need to suspend the rules.

REP. MAEDJE was advised the rules do not need to be suspended to take action on the bill.

Vote: A roll call vote was taken. Motion carried 11-7 with **REPS. McKENNEY, GALLIK, GALVIN-HALCRO, HAWK, MENDENHALL, ROME** and **WEISS** voting no. **CHAIRMAN McKENNEY** gave a voice vote for **REP. STEINBEISSER** and **REP. GALVIN-HALCRO** gave a voice vote for **REP. KEANE**.

Substitute Motion: REP. LAWSON moved that SB 415 BE CONCURRED IN.

Motion: REP. LAWSON moved that SB 415 BE AMENDED.
EXHIBIT (buh82a02)

Discussion:

REP. LAWSON explained the amendments.

REP. GALVIN-HALCRO asked REP. LAWSON if the \$20,000 fee is only for profit corporations. REP. LAWSON said that was his understanding. The second section of the bill states the non-profits would still be under the one-time application fee of \$250. When this bill is submitted to the Senate the amendments which are proposed here may be stripped from the bill when it is heard.

REP. MATTHEWS asked REP. LAWSON how many golf courses are going to fit into this category. REP. LAWSON said there was approximately five or six. Mark Baker, Anderson & Baker, said there were five golf courses, Kalispell, Whitefish, Billings, Pablo which is the tribal golf course, Stevensville and there is also one in Great Falls.

REP. GALLIK asked Mr. Baker what golf course could not sell beer. Mr. Baker said he was of the understanding there were none.

CHAIRMAN MCKENNEY said he supports this bill.

Vote: A roll call vote was taken. Motion carried 15-3 with REPS. GALVIN-HALCRO, MATTHEW and WEISS voting no. CHAIRMAN MCKENNEY gave a voice vote for REP. STEINBEISSER and REP. GALVIN-HALCRO gave a voice vote for REP. KEANE to adopt the amendments.

Vote: A roll call vote was taken. Motion carried 14-4 with REPS. KEANE, GALVIN-HALCRO, MATTHEWS and WEISS voting no. CHAIRMAN MCKENNEY gave a voice vote for REP. STEINBEISSER and REP. GALVIN-HALCRO gave a voice vote for REP. KEANE

REP. MOOD will carry this bill on the House floor.

ADJOURNMENT

Adjournment: 11:35 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh82aad)